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NEW SOUTH WALES.

DIGEST OF CURRENT STATISTICS.

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PART I EMPLOYMENT AND NON RURAL INDUSTRIES

EMPLOYMENT - (NEW SOUTH WALES)

GENERAL. Total employment of males and females showed no significant change in December, 1946 the trend being obscured by the transient influence of industrial disputes and statutory holidays.

The indications are, however, that assuming that occupation forces and other obligations continue to require approximately 30,000 servicemen from New South Wales, numbers in employment will increase little further since practically all available appear now to have been absorbed. This probability is heightened by the fact that for the next few years the number of juveniles attaining working age will be abnormally low owing to the low birth rates due to depression in the early nineteen thirties.

The indications as to future number of males available for employment are more definite than in respect of female employment. It had been anticipated that (with increased marriages and possibly fewer opportunities for employment) female employment might decline from the very high war time peak. Actually it has risen slightly. This phenomenon may be transitory since it is due in part to the acute shortage of labour. On the other hand durable influences such as rates of pay and improving conditions tend to attract more women into employment.

Comparative figures of total employment are -

At end of	WAGE AND SALARY EARNERS IN EMPLOYMENT, NEW SOUTH WALES			MEN FROM N.S.W. IN ARMED FORCES (approximate)	Unemployment (All causes) Males
	Non-Rural		Rural		
	Males	Females	Total	Males	
1939 - July	530	168	698	81 (x)	6
1945 - July	534	252	786	40 (x)	224
1946 - April	584	246	830	63 (x)	80
May	598	248	846	(x)	68
June	606	247	853	(x)	57
July	612	247	859	(x)	50
August	619	247	866	(x)	45
September	624	249	873	(x)	41
October	629	251	880	(x)	38
November	633	254	887	(x)	35
December	633	255	888	(x)	32

(x) Number of rural employees are ascertained annually in March.

(xx) Not known. Probably no change since July 1945.

NOTE: Adjustment to bring the above estimates into line with the Occupation Survey of 1945 will cause the above figures to be revised to 539,000 males and 247,000 females, a total of 786,000, for July 1945, with corresponding adjustments for later months. In addition, adjustments will be made to estimated monthly employment in building and in factories. Revised totals for December, 1946 will be in the vicinity of 650,000 males and 250,000 females, a total of 900,000, to compare with those quoted in this note for July, 1945. Amendments to intervening figures will not materially alter the trend in female employment but will show a rather greater increase in male employment than the estimated figures in the above table.

COMMONWEALTH EMPLOYMENT SERVICE. In recent months the rise in numbers of males (adult and juvenile) unplaced and the decrease in number of adult female vacancies unfilled seems to indicate some easing of the labour shortage. However, it may either wholly or in part be due to transitory causes or to change in extent to which employment service is being used by employers and employees. Time and investigation are required to clarify the position.

The trend is further obscured at the moment (a) by the incidence of industrial disputes e.g., the dockyard stoppage and the suspension of gas production at the end of December and (b) by the incidence of statutory holidays December - January.

The extent of change in the situation is, as yet, of small practical importance.

REGISTRATIONS WITH COMMONWEALTH EMPLOYMENT SERVICE, NEW SOUTH WALES
(in thousands)

1946	JUVENILE				ADULT				Unemployment & Re-establishment Benefits	
	Male		Female		Male		Female		Male	Female
	Un-placed	Vacan-cies	Un-Placed	Vacan-cies	Un-placed	Vacan-cies	Un-placed	Vacan-cies		
July	0.6	1.8	0.8	5.3	10.4	8.7	2.6	10.0	2.4	0.1
August	0.6	1.8	0.6	5.4	10.1	10.0	1.2	10.5	2.5	0.1
September	0.6	1.9	0.6	5.4	9.2	10.1	1.3	10.4	22.7	0.1
October	0.7	1.8	0.6	5.4	9.0	10.8	1.3	9.7	2.4	0.1
November	0.7	1.8	0.5	5.4	10.3	10.6	1.1	8.5	2.1	0.1
December	0.8	1.6	0.6	4.9	11.3	8.6	1.1	7.4	3.1	0.1

EMPLOYMENT IN INDUSTRIES. As a result of industrial disputes total factory employment decreased from 326,700 to 324,300 during December 1946. Retail stores increased their staffs from 87,700 to 90,800 for the Christmas season. In 1945 about 5,000 temporary employees were taken on in stores during December but during 1946 stores had increased their permanent staff from 75,700 in January to 87,700 in November and required less temporary staff for Christmas. There were only minor changes in employment for the other groups during December. Figures for the transport group do not include the temporary Christmas staff of the post offices.

EMPLOYMENT IN MAIN INDUSTRIAL GROUPS, NEW SOUTH WALES
(in thousands)

At end of -	Mining Fact- ries	Trans- port & Commu- nication	Retail Trade	Other Commerce and Finance	Pro- fessional & Personal Services	Other	Total	
1939-July	218.0	25.3	88.9	79.9	59.3	107.6	118.9	697.9
1945-July	301.0	24.8	102.6	69.1	56.5	116.1	116.0	786.1
1946-July	318.3	25.5	111.9	82.7	70.8	131.0	119.3	859.5
Aug.	321.3	25.7	112.4	82.4	72.3	132.0	120.3	866.4
Sept.	323.4	26.0	112.8	83.7	73.3	132.5	121.3	873.0
Oct.	325.8	26.1	112.3	84.8	74.0	135.0	121.9	879.9
Nov.	326.7	26.4	112.9	87.7	74.1	135.8	123.2	886.8
Dec.	324.3	26.2	112.7	90.8	74.3	136.4	123.6	888.3
<u>Increase:</u>								
July 1945 to Dec. 1946	+ 23.3	+ 1.4	+10.1	+21.7	+17.8	+ 20.3	+ 7.6	+102.2
July 1939 to Dec. 1946	+106.3	+ 0.9	+23.8	+10.9	+15.0	+ 28.8	+ 4.7	+190.4

EMPLOYMENT IN FACTORIES. The increase in factory employment since 1939 (over 100,000) accounts for nearly one half of the total increase in employment. It has become such a dominant factor in the situation that it is important to assess how far it is based on extensions to meet short term demands (e.g. making good shortages accumulated during the war or providing goods normally imported temporarily unavailable or supplying temporary export markets). While it is clear that much of the expansion is based on long term needs it is not certain that it is all so based. Early elucidation of the facts has an important bearing on policy required to sustain employment.

Changes in factory employment in December were of little significance.

The temporary closing of dockyard engineering works caused a reduction in employment in the metal trades from 137,400 to 135,800 during December.

Of the other factory classes only the food, drink and tobacco group increased staffs during the month.

TOTAL EMPLOYMENT IN FACTORY CLASSES, NEW SOUTH WALES.

(in thousands)

	1939	1945	1946 -			
	July	June	September	October	November	December
Bricks, cement, glass etc.	12.3	9.9	13.5	13.9	14.0	13.6
Chemicals, paints, oils etc.	8.0	12.3	14.7	14.6	14.5	14.3
Metal trades, incl. vehicles	81.3	145.5	137.7	138.2	137.4	135.8
Textiles	14.7	18.3	19.9	20.2	20.2	20.2
Clothing	29.1	33.2	40.1	40.5	41.0	40.7
Food, drink & tobacco	26.4	31.6	34.2	34.4	34.9	35.6
Sawmills, woodworking, furniture	14.4	16.0	18.6	18.9	19.1	19.1
Printing, paper etc.	16.4	15.6	20.6	20.7	21.0	20.9
Other factories, incl. heat, light and power	15.5	19.3	24.1	24.4	24.6	24.1
Total Factories	218.1	301.7	323.4	325.8	326.7	324.3

EMPLOYMENT OF FEMALES.

The number of female wage and salary earners in December, 1946 was 254,700 that is higher in any month since 1943 and compares with 168,000 in July, 1939. The increase as compared with the previous month is due to the seasonal rise in retail store employment from 43,000 to 44,800. There was a small decline in female employment in the transport group making a reduction of 2,000 from 14,600 to 11,800 since the end of the war, but this figure is still 6,500 higher than at the outbreak of war. In the other industries no appreciable replacement of women by men has been effected since the end of the war.

FEMALE WAGE AND SALARY EARNERS IN MAIN INDUSTRIES, NEW SOUTH WALES

(in thousands)

At end of Month	Transport & Communication	Retail Trade	Other Commerce & Finance	Prof. & Pers. Services	Factories	Total all Groups
1939 - July	5.3	32.5	10.2	47.7	59.3	168.0
1945 - July	14.6	39.2	20.6	68.5	86.4	252.1
1946 - April	13.2	40.6	20.4	71.8	80.6	245.5
May	13.1	40.9	20.5	72.4	81.8	247.5
June	13.1	40.8	20.4	72.2	82.2	246.7
July	12.6	40.9	20.6	72.2	83.1	247.1
August	12.5	40.5	20.9	72.7	83.2	247.3
September	12.4	41.1	21.1	73.4	83.9	249.2
October	12.1	41.3	21.5	74.2	84.6	250.9
November	12.0	43.0	21.4	74.6	85.5	253.6
December	11.8	44.8	21.3	74.6	84.9	254.7
Change: July 1945 to Dec. 1946	+ 2.6	+ 5.6	+ 0.7	+ 6.1	+ 1.5	+ 2.6
July 1939 to Dec. 1946	+ 6.5	+12.3	+11.1	+26.9	+25.6	+86.7

(+) denotes increase (-) denotes decrease.

(x) excl. domestic services and rural.

(NOTE: Revisions are contemplated which will reduce the "total all groups" by about 4,000 as from July, 1945. These are consequent on checks derived from Occupation Survey but will not appreciably affect trends.)

With the exception of food, drink and tobacco works, female employment decreased in all types of factories during December. The total for all factories was 84,200 as compared with 59,300 in July, 1939. Since the end of the war female factory employment has declined by 2,000; this is due to a fall of 7,500 in the metal trades (mainly Government factories) which was partly

balanced by the rise of 5,000 in clothing factories.

FEMALE WAGE AND SALARY EARNERS IN FACTORIES, NEW SOUTH WALES.

(in thousands)

	1939	1945	1946 -			
	July	June	September	October	November	December
Bricks, cement, glass etc.	.5	.8	0.6	0.7	0.7	0.7
Chemicals, paints, oils etc.	2.7	4.0	4.6	4.6	4.6	4.4
Metal Trades incl. vehicles	4.8	21.3	13.8	13.7	13.9	13.8
Textiles	9.2	11.5	10.7	10.9	11.0	10.9
Clothing	22.2	25.9	30.6	30.9	31.2	30.9
Food, drink & tobacco	9.3	11.2	10.1	10.1	10.1	10.5
Sawmills, woodworking, furniture	1.6	1.6	1.7	1.8	1.8	1.8
Printing, paper etc.	5.4	5.7	6.3	6.4	6.6	6.4
Other factories, including heat, light and power	3.6	4.9	5.5	5.5	5.6	5.5
<u>Total Factories</u>	<u>59.3</u>	<u>86.9</u>	<u>83.9</u>	<u>84.6</u>	<u>85.5</u>	<u>84.9</u>

WAGES AND SALARIES (NEW SOUTH WALES). The total wages and salaries paid to civilians in New South Wales was between £4.55 millions and £4.80 millions per week from the middle of 1943 to the early part of 1946. Following the increase in employment throughout the year it rose to £5.3 millions per week in June quarter 1946 and £5.4 millions in September quarter 1946.

Average weekly earnings per male unit (see note below) which had been £6.16.0 in 1943-44 has averaged about £6.14.0 since. The basic wage (adult males, Sydney) fluctuated only from £4.10s. to £5 per week between the September quarter 1943 and September quarter 1946, but rose to £5.

	<u>AVERAGE WEEKLY TOTAL WAGES PAID</u> £ millions	<u>CIVIL EMPLOYMENT, N.S.W.</u>		
		<u>AVERAGE EARNINGS</u> £ per male unit xx		
1941-42 Year	4.248		5 - 16 - 7	
1942-43 "	4.608		6 - 10 - 10	
1943-44 "	4.727		6 - 16 - 0	
1944-45 "	4.672		6 - 13 - 10	
1945-46 Sept. Qtr.	4.735		6 - 14 - 5	x
Dec. "	4.808		6 - 18 - 3	
Mar. "	4.767		6 - 7 - 7	
Juno "	5.313		6 - 15 - 3	
1946-47 Sept. "	5.432		6 - 14 - 0	

x includes A.C.T.

xx incl. overtime, loadings, bonuses, piecework earnings. Male units derived by adding 45 per cent of total female employment to total male employment

BUILDING MATERIALS. There was a marked improvement in brick production in the latter half of 1946, the low figure for December being due to holidays. Monthly average production of bricks rose from 13.8 millions in the first half of 1946 to 19.6 millions in the second half of the year, but that is still under two thirds of the 1939 average. Tile production has reached the pre-war level but is far below requirements because of the increased demand and the shortage of other roofing materials.

OUTPUT OF CERTAIN BUILDING MATERIALS, N.S.W.
(Monthly Averages)

	<u>BRICKS</u> (Millions)	<u>TILES</u> (millions)	<u>LOCAL SAWN TIMBER</u> (million superfeet)
1939	31.6	1.7	15.0
1945 (August)	8.3	0.5	18.4
1946 - March Quarter	12.3	1.2	18.5
Juno Quarter	15.3	1.4	20.0
September Quarter	19.3	1.6	24.0
October	22.3	1.7	
November	19.7	1.6	
December	16.9	1.3	

NEW FACTORIES (N.S.W.). Increasing numbers of new factories are starting outside the Sydney metropolitan area, in particular clothing, food, and paper and printing works. A large proportion of these are in the clothing industry and extension of operations to the country is partly due to a search for labour.

Total initial employment in new factories for the six months ended December was 4,814 compared with 7,726 for the previous twelve months. During 1945/46 31% of the total were employed in new factories outside the Sydney area compared with 36% for the second half of 1946.

NUMBER OF PERSONS INITIALLY ENGAGED IN NEW FACTORIES
REGISTERED IN NEW SOUTH WALES

	Six Months ended December, 1946			Twelve Months ended June 1946
	Metropolitan	Balance of State	Total	Total
Metal Trades incl. vehicles	931	299	1230	2584
Clothing	932	571	1503	2647
Food, drink & tobacco	162	262	424	265
Woodworking, incl. sawmills	176	179	355	519
Paper, stationery & printing	91	115	206	155
Other factories	821	275	1096	1556
All Factories	3113	1701	4814	7726

IRON & STEEL, GAS & ELECTRICITY. Because of the holidays iron and steel production in New South Wales (and Whyalla) declined in December. As compared with November the drop was 10% in steel output and 3% in pig iron production.

Rationing and a temporary complete cessation of gas supplies in Sydney and other centres following an industrial dispute caused a fall of gas consumption. A slight decrease in the electricity consumption (Sydney) since October may be due to reduced demands from industries affected by strikes.

	Index of Production		Index of Consumption(b)	
	Pig Iron(a)	Ingot Steel	Gas	Sydney Electricity
Average 1937-39	100	100	100	100
Year 1938-39	112	103	101	110
1946 - July	123	116	142	191
August	113	112	143	190
September	116	117	151	199
October	116	119	151	206
November	120	120	153	195
December	116	108	129	194
(a) N.S.W. and Whyalla		(b) Seasonally adjusted		

INDUSTRIAL DISPUTES. Although the Christmas holidays reduced the number of possible man-working days in December, the number lost through industrial disputes remained very high. Shipyards and gas works disputes affected a large number of men in those industries and gas restrictions caused temporary retrenchments in other industries. The number of man-days lost in industries other than coalmining averaged 76,000 per month during the December quarter, that is more than twice as many as during earlier quarters of the year.

NEW SOUTH WALES - INDUSTRIAL DISPUTES - MAN DAYS LOST.

Monthly <u>Average</u>	Coal	Other	<u>Total</u>
	<u>Mining</u>	<u>Employment</u>	
Thousand man days lost			
1937-39	39	14	53
1945	57	103	160
1946 - March Qtr.	20	23	43
June Qtr.	26	33	59
Sept. Qtr.	35	12	47
October	34	105	139
November	23	61	84
December	17	63	80

COAL PRODUCTION. New South Wales production of coal in 1946 totalled 11.2 million tons, that is 1 million tons more than in 1945 but slightly below the average of the war years. Industrial disputes kept production at a low level during the first eight months of the year; since September coal output has improved again and has been maintained steadily. Work on the Northern fields in October and November made up for the production loss during the Christmas holidays. The output from open-cut mines showed considerable progress during the past two years. First developed on a major scale during the war years it contributed 5% of the total output in 1945 and 7% in 1946. As more open-cut mines are being started and developed they will play an important part in the maintenance of supplies, in particular as underground production shows no signs of expansion.

Coal production for 1946 was insufficient to meet the demand from industries in this and other States. Efforts are being made in Victoria and South Australia to stimulate local coal mining and to develop substitutes for black coal in order to become as independent as possible of New South Wales coal.

COAL PRODUCTION NEW SOUTH WALES

Millions tons

<u>Yearly Average</u>	<u>Total</u>	<u>Underground</u>	<u>Open Cut</u>
1926-1930	9.2	9.2	..
1931-1935	7.4	7.4	..
1936-1940	9.9	9.9	..
1941-1945	11.4	11.4	..
Year 1939	11.3	11.3	..
1942	12.2	12.1	0.1
1944	11.1	10.9	0.2
1945	10.2	9.7	0.5
1946	11.2	10.4	0.8

(Mines Department records up to 1941; since then Commonwealth Coal Commissioner)

Overseas exports of coal as cargo from New South Wales have almost completely ceased. The greater part of the 300,000 tons exported to foreign ports in 1946 was bunker coal. In 1946 New South Wales obtained the whole of the gain in production over the previous year, so that 8 million tons were available for local consumption as against 7 million tons in 1945.

A comparison of the relative levels of industrial activity and coal supplies in 1939 and now makes apparent the precarious basis upon which coal-using industries are operating.

DISTRIBUTION OF NEW SOUTH WALES COAL OUTPUT
millions tons

Year	Production	Exports ^x		Retained for Local Consumption
		Commonwealth Ports	Foreign Ports	
1937-39 (Average)	10.3	2.4	0.9	7.0
1943	11.5	3.1	0.4	8.0
1944	11.1	3.2	0.3	7.6
1945	10.2	2.9	0.3	7.0
1946 ^{xx}	11.2	2.9	0.3	8.0

x including ships bunkers. xx subject to revision

MOTOR VEHICLES REGISTERED (N.S.W.)

CARS: The number of new motor cars registered has risen from less than forty a month during 1945 and the first quarter of 1946 to 893 in December, 1946. A total of 3,902 new cars was registered in 1946 as against 21,858 in 1938. December registrations in 1946 were at about half the monthly rate of 1938-39. The motor industry in England and America is suffering from man-power and material difficulties and shortages of material are also holding up production in Australia. Prices of new cars have risen sharply during 1946.

During 1946 13,642 old cars (including military cars sold to civilians) were registered, that is 800 less than in 1945. The total number of civilian cars on the register at the end of December 1946 was 198,000, an increase of 7,000 during the year but still 20,000 less than in 1939.

LORRIES AND UTILITIES. Registrations of new lorries during 1946 totalled 5,246, that is little over half the 1938/39 average. During the first eight months of 1946 registrations of new lorries exceeded those of new cars but since September more new cars have gone on the road. The high number of "re-registrations" of lorries (21,000 for 1946) is due to disposal sales of military vehicles to civilians. Conversion of military trucks to civilian use rather than registrations of new lorries has caused the total number of lorries (including vans, utilities and tractors) to reach the record level of 108,800 at the end of 1946, that is 40% higher than at outbreak of war.

REGISTRATION OF MOTOR VEHICLES, NEW SOUTH WALES

Month	NEW VEHICLES REGISTERED			CIVILIAN VEHICLES ON REGISTER ^x		
	Cars (a)	Lorries (b)	Total	Cars (a)	Lorries (b)	Total (c)
Average 1938-39	1718	660	2378	218.7 ^{xx}	78.7 ^{xx}	298.6 ^{xx}
1945 - August	26	201	227	188.1	86.1	274.8
1946 - August	319	521	840	194.0	102.2	297.1
- September	561	489	1050	194.9	104.0	299.8
- October	626	509	1135	195.8	105.7	302.5
- November	815	438	1253	196.7	107.3	305.1
- December	893	430	1323	197.9	108.8	307.8

(a) including motor buses and cabs

(b) including utilities, vans and tractors

(c) including traders' plates

x as at end of month

xx as at 31-8-1939.

CONSUMPTION OF MOTOR SPIRIT. Sales of motor spirit have steadily increased during 1946. While the demand for service vehicles has declined successive relaxations of petrol rationing and the higher number of vehicles on the road have combined to increase consumption of motor spirit for civilian vehicles by 46% from 6.9 million gallons to 10.1 million gallons a month between December 1945 and 1946.

NEW SOUTH WALES POOL AREA, SALES OF MOTOR SPIRIT
Monthly averages, thousands of gallons

		SERVICES	OTHER	GOVERNMENT	CIVIL	TOTAL
1945	September Quarter	1552		413	5380	7345
	December "	1214		425	6918	8557
1946	March "	638		416	7276	8330
	June "	462		459	8245	9166
	September "	398		515	9388	10361
	December "	247		534	10110	10891

NEW SOUTH WALES RAILWAYS: The number of passenger journeys on New South Wales Government Railways in December 1946 was the largest on record for that month. Full time-table services and extra trains facilitated the handling of the heavy Christmas traffic. In the six months ended December 1946 129.2 million passenger journeys were recorded as against 130.7 millions for the same period of 1945. During 1946 the number of military personnel carried has greatly decreased but railway passenger traffic continues to remain much higher than before the war. No such large increase is shown for the tonnage of goods carried. A total of 8.57 million tons for the six months period of 1946 compares with about 8.1 million tons in 1939 (both figures excluding livestock).

In spite of higher traffic figures the position of railway finances continue to deteriorate. The increase in working expenses is exceeding the gain in earnings, and higher wage rates will throw an additional burden on railway finances during the current year. The difference between gross earnings and working expenses for the half year ended December 1946 was £3.04 millions that is £0.6 millions less than in 1945 and £0.44 millions less than in 1939. For the year 1945-46 debt charges (less Government subsidy for country lines) amounted to £6.23 millions. It is evident that at the present rates of earnings and expenses the railway accounts will close with a substantial deficit for 1946-47.

NEW SOUTH WALES GOVERNMENT RAILWAYS
Millions

Year	Month of December			Six Months ended December			
	Passenger Journeys	Goods+	Gross Earnings	Passenger Journeys	Goods+	Gross Earnings	Net Earnings £
1939	No.	Tons	£	No.	Tons	£	£
1939	15.1	1.30	1.91	89.1	8.04	10.52	3.48
1944	20.7	1.42	2.66	123.8	9.21	16.00	3.98
1945	21.5	0.80	2.26	130.7	7.68	15.56	3.64
1946	22.3	1.18	2.60	129.2	8.57	15.29	3.04

+ Excluding livestock / gross earnings less working expenses, available to meet debt charges.

GOVERNMENT TRAMS AND BUSES. The number of passenger journeys on trams and buses in Sydney and Newcastle in December, 1946 was 47.2 millions, that is higher than in December 1945, but during that period tram services were curtailed because of power rationing, with the result that gross earnings exceeded working expenses.

Over the six months ended December, 1946 compared with 1945 the number of passenger journeys has increased from 271 millions to 277 millions. An increase of £155,000 in gross earnings is exceeded by a rise of £241,000 in working expenses and the surplus in operations was correspondingly reduced from £96,000 to £10,000. This surplus is quite insufficient to meet the depreciation and debt charges which totalled £863,000 for the year 1945-46. Comparing the half year periods of 1938 and 1946, passenger journeys have increased by 4%, working expenses by 64%, but gross earnings by only 41% with a resulting decline in net earnings (before meeting debt charges and depreciation) by 97%. During 1947 the working expenses will be further increased through higher wage costs. Bus traffic has gained proportionally during the war years. For the six month period of 1938, 16% of passenger journeys were made on buses and 84% on trams as compared with 25% and 75% in 1946.

NEW SOUTH WALES GOVERNMENT TRAMS AND BUSES - SYDNEY AND NEWCASTLE

YEAR	DECEMBER			SIX MONTHS ENDED DECEMBER			
	Passenger Journeys(a)	Gross Earnings	Working Expenses(b)	Passenger Journeys(a)	Gross Earnings	Working Expenses(b)	Net Earnings(c)
		millions	£000		millions	£000	£000
1938	33.9	393	323	186.1	2143	1846	297
1945	43.1	459	475	271.4	2885	2789	96
1946	47.2	519	511	276.8	3040	3030	10

(a) Excluding Sydney Harbour Bridge passengers.

(b) Excluding depreciation.

(c) Gross earnings less working expenses, available to meet debt charges.

PART II: FINANCE AND TRADE

NINE TRADING BANKS, AUSTRALIA

Customers' deposits with trading banks in Australia increased by £11 millions in December making an increase of £22 millions since July 1946. Higher trading bank advances, withdrawals from savings banks and the favourable balance of trade all contribute to the rising trend in bank deposits. ~~Recent~~ requirements of the Commonwealth Bank, part of these additional funds were deposited to the banks' special accounts, which increased from £257 millions to £263 millions during December. At present funds representing 4.1% of customers' deposits are re-deposited on special accounts. Advances rose by £3 millions during the month and were £52 millions higher than in December 1945. Parallel to the rise in advances there has been a steady fall in the trading banks' holdings of Government Securities since July 1946. Cash holdings were increased during December to meet Christmas demands.

NINE TRADING BANKS - BUSINESS WITHIN AUSTRALIA

£ millions

Date	Deposits at credit of Customers	Advances to Customers	Gov't & Municipal Securities	Special A/c. with Comm- wealth Bank	Treas- ury Bills	Cash	Ratios		
							Advances to Deposits	Cash & Treasury Bills to Deposits	Special Account to Deposits
Dec. 1939	335	287	26	-	28	41	86	21	-
Dec. 1945	606	209	116	230	67	42	35	18	38
Sept. 1946	622	244	110	251	27	37	39	10	40
Oct. 1946	624	252	107	252	24	36	41	9	40
Nov. 1946	624	258	101	257	25	37	41	10	41
Dec. 1946	635	261	91	263	25	42	41	11	43

DEPOSITS AND ADVANCES, N.S.W. AND AUSTRALIA. Following the trend in the Commonwealth, trading bank deposits in New South Wales rose by £5 millions in December and by £21 millions to £245 millions over the year 1946. There was no change in the total advances of trading banks in the State.

NINE TRADING BANKS, NEW SOUTH WALES AND AUSTRALIA

£ millions

		Deposits		Advances	
		N.S.W.	Australia	N.S.W.	Australia
December Quarter 1939		121	327	121	293
" " 1943		181	485	91	236
" " 1945		224	595	85	209
September 1946		239	622	97	243
October		241	624	101	252
November		240	624	104	258
December		245	635	104	261

SAVINGS BANK (NEW SOUTH WALES) Between July and December 1946 balances in Savings Banks in New South Wales decreased by £6 millions from £237 to £231 millions. This is mainly due to the decreasing inflow of new deposits caused by the reduction in deferred pay and similar credits. Withdrawals have been steady at the rate of £14- £15.5 millions since the beginning of 1946, as compared with £8 - 10 millions during the early part of 1945. Increasing supplies of goods during 1946 have stimulated consumer spending and high turnovers in real estate have also contributed to a transfer of savings bank deposits to the trading banks.

COMMONWEALTH SAVINGS BANK, NEW SOUTH WALES (£ millions)

	Deposits Lodged during Month	Withdrawals made during month	Net increase(+) or decrease (-) in savings	Total deposits	All Savings Banks Australia Total deposits
1939 December	—	—	—	86.6	244.9
1945 December	18.0	13.3	+ 4.7	219.6	622.6
1946 July	16.6	15.5	+ 1.1	237.3	666.6
August	14.5	14.8	- 0.3	237.0	666.9
September	13.1	14.3	- 1.2	235.8	664.8
October	14.1	15.1	- 1.0	234.8	661.9
November	13.4	15.2	- 1.8	233.0	658.2
December	12.5	14.2	- 1.7	231.3	653.8

NOTE ISSUE, AUSTRALIA. An additional £10.2 millions of notes were issued during the 1946 Christmas season of which £9.3 millions went into circulation and £0.9 millions were kept by the banks. For 1939 the extra Christmas circulation was £3 million. Prices have risen since and spending was on a larger scale in 1946.

In 1945 £12 millions more went into circulation at Christmas time but that coincided with a general rise in the note issue and part of the Christmas issue remained in circulation. In 1946-47 the notes returned quickly to the banks and the total issue at 22nd January 1947 was then reduced to the level of October 1946. Between May and October 1946 the total note issue had fluctuated between £197 - 199 millions.

The total note circulation is nearly four times as high as before the war.

AUSTRALIAN NOTE ISSUE
£ millions

Date	Hold by Public	Hold by Banks	Total
1939: 23rd November	37.4	14.6	52.0
25th December	44.3	13.0	57.3
1940 22nd January	37.0	15.0	52.0
1945: 26th November	173.3	17.2	190.5
24th December	185.5	17.2	202.7
1946 21st January	175.7	18.0	193.7
1946: 25th November	179.6	18.6	198.2
23rd December	188.9	19.5	208.4
1947: 22nd January	x	x	197.7

x Not yet available.

INTER-BANK CLEARINGS, SYDNEY. The rise in general business activity throughout the year 1946 is reflected in the high turnover at the Sydney clearing house. Cheque turnover is now twice as high as in 1939. That is due partly to the increased volume of business transactions and partly to higher price levels. In the following table showing quarterly movements during 1945/46, Treasury bill transactions and Commonwealth Bank subscriptions have not been included.

INTER-BANK CLEARINGS - SYDNEY

£ millions

Monthly Average Value of transactions	March Quarter	June Quarter	September Quarter	December Quarter
1945	115	129	123	128
1946	130	149	162	168
Percentage Increase	+ 13%	+ 16%	+ 12%	+ 31%

FOREIGN EXCHANGE RATES. During and since the war significant changes have occurred in the relation of the Australian pound to foreign currencies. The sterling rate and rates of sterling currencies such as New Zealand, South Africa and Fiji, remained unchanged, which means that Australia automatically followed any adjustments of sterling in terms of foreign currencies. Most important among those was the appreciation of the dollar rate during the first months of the war. Since early in 1940 the dollar sterling rate has been consolidated at 4.03 and its equivalent of 3.22 in Australian currency.

The Canadian dollar, which before the war usually followed movements of the U.S. dollar, was kept tied to sterling throughout the war and did not appreciate to dollar parity until July, 1946, under the pressure of rising prices. At the same time the Swedish kroner was appreciated to the pre-war dollar parity. As against these appreciations the French, Belgian and Dutch currencies are now quoted at greatly depreciated rates.

With the rise in prices in America during 1946 the present exchange rate under-values Australian currency in dollar terms thus favouring Australian exports to U.S.A.; for the five months ended November 1946, Australian imports from the U.S.A. were only two thirds of exports to the U.S.A. France and Belgium bought heavily at recent Australian wool sales in spite of their unfavourable exchange position.

Adjustments of some exchange rates may be expected when the International Monetary Fund comes into operation and price levels and international trade conditions have become more stable.

FOREIGN EXCHANGE RATES

(Mean buying & selling, T.T. rates) Currencies to £A1

	U.S.A.	Canada	Sweden	Switzerland	France	Belgium	Holland
	\$ U.S.	\$ Can.	Kronor	Francs	Francs	Francs	Florins
Average							
1938-39	3.776	3.793	13.52	16.68	141.75	111.58	6.994
December 1946	3.217	3.218	11.57	13.85	383.24	141.01	8.535

COMMONWEALTH ACCOUNTS. Income tax collections of £13.6 millions in December 1946 compare with £12.2 millions in November and were £2 millions greater than in December 1945, when tax rates were higher. Because of lower collections in earlier months the total for the first six months of this financial year was £6 million less than in July-December, 1945.

Notwithstanding reductions in rates, indirect taxes yielded more than enough revenue to make up for the lag in income tax collections and total revenue from taxes for the six months ended December rose from £149 millions in 1945 to £165 millions in 1946.

COMMONWEALTH GOVERNMENT ACCOUNTS (£ millions)

REVENUE			EXPENDITURE			
	Six months ended December				Six months ended December	
	1945	1946			1945	1946
Customs & Excise	35.7	49.5				
Income Tax	87.9	81.9	Social Services		24.7	30.4
Sales Tax	14.5	21.2	Payments to States		8.0	10.7
Payroll Tax	5.6	6.7	Tax reimbursed to States		8.2	15.7
Other Taxes	5.6	6.0	Post Office		9.9	10.7
Total Taxes	149.3	165.3	Other		23.3	32.3
Post Office	14.0	14.7	Total (Excl. Defence & War II)	74.1	99.8	
Other	4.6	5.4	Defence and War II	233.8	101.5	
Total Revenue	167.9	185.4	Total Expenditure	307.9	201.3	

Comparing expenditure for the six months periods ended December 1945 and 1946, that on Defence and War II decreased by £132 millions but other expenditure rose from £74 millions to £100 millions. Social service payments increased from £25 millions to £30 millions on account of higher rates of

pensions and the introduction of hospital benefits. The larger payments to the States were a result of accelerated payment this year.

NEW SOUTH WALES ACCOUNTS. In the six months ended December 1946, tax reimbursements received from the Commonwealth totalled £6.6 millions as against £3.6 millions in 1945. The budget provides for a total of £16.5 millions tax-reimbursement receipts for 1946-47 as against £15.4 millions received in 1945-46.

Departmental and special appropriations during the six months period of 1946 totalled £12.1 millions as against £10.7 millions in 1945. Adjustments in basic wage rates in 1947 will further increase expenditure of Government Departments and it will affect the position of the Government business undertakings. For the six months period the transport services showed a revenue surplus of £3.7 millions (excluding debt charges) for 1946 as against £4.2 millions for the same period of 1945.

NEW SOUTH WALES GOVERNMENT
(£ millions)

REVENUE

	<u>Six months ended December</u>	
	<u>1945</u>	<u>1946</u>
From Commonwealth x	4.8	8.6
State taxation	3.1	3.4
Other Governmental	3.6	3.7
Business Undertakingsxx	19.3	19.4
<u>Total Revenue</u>	<u>30.8</u>	<u>35.1</u>

EXPENDITURE

	<u>Six months ended December</u>	
	<u>1945</u>	<u>1946</u>
Net Debt Charges	8.0	7.6
Governmental	10.7	12.1
Business Undertakingsxx	15.1	15.7
<u>Total Expenditure</u>	<u>33.8</u>	<u>35.4</u>
<u>Net Deficit</u>	<u>- 3.0</u>	<u>- 0.3</u>

x Reimbursement of taxes, payments towards interests and hospital benefits.

xx Railways, trans and buses, Maritime Services. Excludes debt charges.

SYDNEY STOCK EXCHANGE. In anticipation of the expiring of restrictions on trading and prices, the stock exchange showed a quiet, but firm tendency during December. Of the 34 shares making up the "active shares" index, only ten were quoted below ceiling prices.

Stock Exchange restrictions imposed under National Security regulations lapsed at the end of the year. For the first part of January rises in share prices were limited under a system of control introduced by the Stock Exchange authorities. After an orderly transition had been effected all these restrictions were lifted on 19th January 1947, and since then share dealings have been completely free.

INDEX OF SHARE PRICES - SYDNEY
Prices of Ordinary Shares (excl. Bank). Par value = 100.
(Compiled by N.S.W. Govt. Statistician).

<u>Average for Month</u>	<u>Manufacturing and Distributing</u>	<u>Retail</u>	<u>Public Utilities</u>	<u>Pastoral and Finance</u>	<u>Insurance</u>	<u>Total 75 Companies</u>	<u>34 Active Shares</u>
1939 - Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
1942 - Mar.	173.0	138.3	120.8	110.3	213.7	140.6	147.0
1945 - Aug.	242.3	207.3	170.3	146.8	264.6	195.6	209.9
1946 - July	280.5	239.5	190.5	161.6	306.9	222.3	240.6
Aug.	285.7	244.6	193.6	165.1	312.2	226.2	244.5
Sept.	290.5	250.1	196.2	163.7	322.5	229.9	247.1
Oct.	289.0	251.9	196.4	159.4	322.5	229.2	245.6
Nov.	290.0	251.8	195.9	158.0	322.5	229.1	245.7
Dec.	292.4	251.6	197.3	160.7	322.5	229.7	247.2

REAL ESTATE TRANSACTIONS. During 1946 transfer documents disclosed the sale of properties valued at £50.6 millions; a total not approached in any intervening year since 1929, and £13.2 million greater than in 1939. It would appear that Treasury control over transactions is not a serious deterrent to transfers of property.

Transfers registered in December, 1946, though appreciably (and in part, seasonally) below those of the preceding three months, made the large total of £4.1 million.

REAL ESTATE TRANSACTIONS (NEW SOUTH WALES)

<u>Monthly Averages</u>	<u>SALES</u>	<u>MORTGAGES</u>
	£ millions	£ millions
1945 Dec. Quarter	2.8	1.1
1946 Mar. "	2.4	1.1
Juno "	4.0	1.6
September	6.4	2.1
October	5.8	2.2
November	5.2	2.2
December	4.1	2.5

Considerations of mortgages registered during 1946 totalled £21.2 millions or 42% of the value of sales as against £27 millions and 72% in 1938. However, figures for the second half of 1946 indicate that mortgage financing is increasing again.

RETAIL TRADE. The value of sales in large Sydney stores during November, 1946 was 14% higher than in November 1945. That this was a much smaller increase than that shown in earlier months of the year was incidental to the high turnover in November 1945 (41% above 1944) when clothing ration scales were relaxed. Actual sales in November 1946 showed a marked increase over previous months. The stock position in retail stores improved during the second half of 1946 and in November stock held was 29 per cent above the value in November 1945.

RETAIL TRADE - EXPERIENCE OF LARGE SYDNEY STORES.

Percentage increase + or decrease - on same month of previous year.

	<u>1946</u>									
	<u>April</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>August</u>	<u>September</u>	<u>October</u>	<u>November</u>		
Value of Sales	+47	+52	+10	+26	+45	+32	+28	+14		
Value of Stock	-13	-13	-8	+1	+8	+12	+21	+29		

In November 1946 sales of piecogoods were smaller, and of men's and women's wear slightly greater than those of November 1945, when the reductions in the ration-scale for clothing boosted sales. In all other major sections, sales in November 1946 were well above the level of November 1945. The improvement in the stock position was particularly marked in the boot and shoe and fashion and millinery departments, and in electrical and hardware goods.

Movements in the principal sections were as follows -

SYDNEY RETAIL STORES.

Sales and Stocks, Percentage increase +, or decrease - on November, 1945.

	<u>November, 1946</u>		<u>November, 1946.</u>	
	<u>Sales</u>	<u>Stock</u>	<u>Sales</u>	<u>Stock</u>
	<u>%</u>	<u>%</u>	<u>%</u>	<u>%</u>
Piece Goods	-3	-2	Furniture	+51
Woman's Wear	+1	+38	Hardware	+49
Men's Wear	+1	+16	Food Perishables	+20
Boots & Shoes	+20	+56	Miscellaneous	+21
Total Clothing	+3	+25	All Classes	+14

OVERSEAS TRADE - AUSTRALIA. Both imports and exports showed a slight decrease in November as compared with the three previous months. For the five months ended November imports totalled £A84.9 millions and exports £A132.8 millions as against £A94.3 millions and £A71.1 millions for the same period of 1945. The fall in imports is due to the reduction of Government imports which was only partly compensated by higher imports of civilian goods.

OVERSEA TRADE, AUSTRALIA
£A millions
(excluding bullion and specie movements)

	Five months ended November	1938	1945	1946
Imports: Civil Trade		46.7	74.2	
Government		47.6	10.7	
Total Imports	55.5	94.3	84.9	
Exports:	59.4	71.1	132.8	
	<u>+ 3.9</u>	<u>-23.2</u>	<u>+47.9</u>	

(+) Denotes excess of exports
(-) " " imports

In the present state of world shortages, imports are governed largely by availability. Proportionately to total imports in the first five months of this fiscal year, with proportions for the twelve months ended June, 1939 in parenthesis, producers' materials comprised 46.3% (44.1%) with those for manufacturing 32.6% (38.2%); fuel and lubricants 8.9% (7.8%); producers' equipment 7.4% (11.7%); road vehicles and complete parts, 9.8% (9.5%), and finished consumers' goods 15% (12.9%). Related to the kind and quantities of principal goods exported, Australian export prices in November were 42% higher and in July-November were 27.5% higher this year than in 1945. Quantities of the principal export items during the period also exceeded those of 1945.

As indicative of potentialities, note may be taken of the significant development of export trade in Australian manufactures. In the five months reviewed, exports of iron and steel, vehicles, metal manufactures, electrical appliances and equipment, and machines and machinery totalled £A4.6 million and of manufactured fibres, piece goods, textiles, boots and shoes and other apparel to £A5.5 million. For the corresponding months of 1945 totals for the respective groups were £A2.8 million and £A2.0 million.

The bulk of wheat and flour exports went to New Zealand, India, Malaya and Ceylon. England received most of the meat and butter exported.

PRINCIPAL EXPORT ITEMS, AUSTRALIA

	(£A millions)	July to November.		
		1938	1945	1946
Wool		16.9	23.7	52.0
Wheat and Flour		5.3	1.3	12.1
Hides and Skins		1.5	5.2	8.5
Meats		4.7	4.1	7.9
Milk and Butter		5.3	4.3	5.9
Lead		1.9	1.9	3.3
Piece Goods		-	0.4	2.1
Apparel & Attire		-	1.2	2.1

Exports of wool from the Commonwealth for the six months ended December 1946 totalled 1,826,000 bales of greasy wool valued at £A46 millions and 412,000 bales of scoured wool valued at £A14 millions, a total of 2,238,000 bales. Clearance at auction sales during the same period was 1,180,000 bales, but a substantial proportion was sold to local manufacturers as part of the export - wool of the current clip has not yet been shipped. Therefore the greater part of current wool exports are clearances of stocks sold under the appraisement scheme. 29% of wool exports during the period went to the United States, 19% to the United Kingdom, 15% to France, 14% to Belgium and 9% to Italy.

PART III: RURAL INDUSTRIES

THE SEASON. Pastoral districts experienced useful rainfall in December but their beneficial effect was counteracted by hot conditions and drying winds. In general, drought conditions continue and most parts of the State require more rain. The position in wheat and dairying districts is bad.

RAINFALL INDEX, NEW SOUTH WALES.
Weighted average ratio of actual to normal rainfall.
Normal rainfall each month = 100.

Period	Sheep Districts					Wheat Districts	Dairying Districts			
	N.	C.	S.	W.	State		N.	C.	S.	State
1944 (year)	66	54	53	53	57	53	87	69	60	79
1945 (year)	99	101	86	77	93	89	114	98	104	109
1946 Jan.	153	100	166	236	151	158	92	44	67	77
Feb.	95	129	327	228	195	269	174	77	100	140
Mar.	66	76	105	43	79	95	164	197	63	160
Apr.	66	90	61	14	65	57	98	291	136	152
May	39	40	53	24	42	43	13	22	30	18
June	23	38	75	64	49	50	6	69	173	44
July	17	38	109	34	55	84	1	2	7	2
Aug.	2	13	60	8	25	41	20	3	19	16
Sept.	203	68	15	156	99	39	101	76	52	88
Oct.	34	63	51	17	46	17	103	51	66	85
Nov.	84	77	191	73	116	155	45	66	225	73
Dec.	78	83	98	116	90	94	79	77	34	72

N: Northern, C: Central, S: Southern, W: -Western.

(Good falls in mid-February 1947 have brought relief to some districts.)

WOOL. Receipts of this seasons wool into Sydney stores totalled nearly 750,000 bales at the end of December, 1946 as against 715,000 bales and 1,157,000 bales for the corresponding periods of 1945 and 1939. Clearances during December 1946 exceeded arrivals by 47,000 bales and balance in store decreased correspondingly. More than a million bales of wool were shipped from New South Wales ports during the half - year of which the greater part was wool from previous clips. Movements of wool stocks in all New South Wales centres were as follows:

MOVEMENT OF WOOL STOCKS 1946-47 CLIP, N.S.W.

July-December 1946 000 bales
All Centres, N.S.W.

Received into Store	Sold	Balance in Store	Exports ^x
230	473	457	1019

^x including wool from earlier clips

Of the 473,000 bales sold in New South Wales to the end of 1946 419,000 were sold at auction, 51,000 bales were disposed of privately and 3,000 bales were shipped ex store. For only 9,900 bales or 2% of wool offered did bids fail to reach reserve prices and that wool was bought in by Joint Organization. This indicates the sustained demand for all classes of wool. Greatest interest generally was shown for the finer merino grades; offerings of crossbred and faulty types, though not achieving the marked price advances of the finer wools, were cleared almost completely at prices in excess of reserves.

Up to the end of December 1946 1,180 million bales of wool (1,107 million bales of greasy and 73 fm. bales of scoured wool) from the current clip had been sold at centres in Australia realizing £34.8 millions. 40 per cent of the total were sold in New South Wales. Average price realised in Australia for greasy wool was 22.85d per lb; taking into account the composition of the clip the average rates realised in Sydney was 23d in December 1946 and 24d in January 1947.

AVERAGE PRICE PER LB. FOR GREASY WOOL, REALISED AT SYDNEY

Year ended 30th June							
1928	1931	1938	1939	1940	1941	1942	1943 to 1946
19.5d	8.7d	12.7d	10.3d	13.4dx	13.1dx	13.1dx	15.1dx
x On basis of British Government contract.							
Monthly average price per lb. greasy wool							
1946							
September October November December January							
20.5d ^{xx} 21.5d ^{xx} 23d ^{xx} 23d ^{xx} 24d ^{xx}							
1947							

xx Average rate that would be realised if whole clip were sold at Sydney price levels of that month.

The present average level of wool prices is more than double the 1939 average.

Negotiations are proceeding for the shipment of up to 300,000 bales of Australian wool to Japan. Some of the woollen goods manufactured in Japan may be exported to other Asiatic countries. It is intended to finance Japanese purchases through United States export agencies. It is estimated that Japanese mills at present can handle 600,000 bales a year and that only very small stocks of wool are on hand. The restoration of German mill machinery is also proceeding; there is a great potential demand for wool if finance can be arranged.

The combine of French woollen manufacturers has (with approval of British and French authorities) arranged for a revolving credit with London banks for the financing of about £stg 35 millions worth of wool purchases within the Empire. These arrangements should remove anxiety about France's financial capacity for further purchases of wool.

Italian wool textile plant emerged intact from the war and production was partially restored soon after the armistice. U.N.N.R.A. orders provided the first supplies in 1945 and work was undertaken on a commission basis for British, Swedish and Swiss textile firms. Foreign exchange proceeds were used to purchase wool for local needs. At the end of 1946 an import - license system was introduced with preference for imports of raw wool destined for re - export as finished products. Although hampered by a shortage of fuel the industry generally is recovering well and Italy hopes soon to be permitted to trade freely in raw wool and woollen manufactures.

WHEAT. Preliminary estimates place the 1946-47 wheat crop in New South Wales at 16 million bushels; that compares with a yield of 62.5 million bushels in 1945-46 and 17.1 million bushels in 1944-45.

The 1946-47 wheat crop for Australia is expected to yield 117 million bushels as against 142 million bushels for the previous year and an average of 154 million bushels for five pre-war years. The average yield per acre sown will be about 9.44 bushels in 1946-47 as against 12.46 bushels in 1945-46. Victoria, South Australia and Western Australia had satisfactory crops but unfavourable seasonal conditions made the New South Wales and Queensland crops complete failures in many districts. About 20 million bushels may have to be imported into these two States to meet their requirements.

Only 40 - 50 million bushels of wheat are expected to be available for export from Australia from the current crop. To keep flour mills working most of the exports will be made in the form of flour. During the five months ended November 1946, wheat exports from Australia totalled 7 million bushels valued at £3.6 millions and 6.6 million centals of flour valued at £8.5 millions.

The f.a.q. for bulk and bagged wheat for the 1946-47 season has been determined at 62.5 lb per imperial bushel, that is the most favourable standard since 1936-37.

The Wheat Board's basic export price f.o.r. ports was increased to 13/8 per bushel in December, 1946 making a total rise of 4/- throughout the year.

WHEAT EXPORT PRICES, AUSTRALIA

1928	1939	1940	1945	1946	January	January	August	September	October	November	Dec.
5/1	2/6	4/-	6/5	9/8	11/2	11/2			11/9	12/5	13/8

(1928 and 1939 figures "Shippers' Limits f.o.r. ports"; since then Mean of Australian Wheat Board's basic export price for bulk and bagged wheat reduced to f.o.r. ports).

The food situation in most of continental Europe remains as serious as in 1946 and Great Britain's stocks of cereals are also very low. Transport difficulties are keeping arrivals of American and Canadian wheat behind schedule.

Although the North American 1946 harvest was about 150 million bushels greater than in 1945, the quantity of wheat available for export is limited because carry-over stocks were low.

DAIRYING. Useful rains during the last quarter of 1946 made some improvement in pastures in most dairying districts. There has been some seasonal improvement in butter production but it remains much below normal. Factory butter production for the six months ended December 1946 was 10,900 tons, equal to 68% of the production for the corresponding period of 1945 and only about half of the average for 1939-1942. Cheese production also shows a reduction of one fifth and one third compared with the earlier periods.

NEW SOUTH WALES, PRODUCTION OF BUTTER IN FACTORIES
(in thousand of tons)

Average three years	July	August	September	October	November	December	Total six months
Ended June, 1942	2.4	2.4	2.9	3.8	4.4	5.0	21.0
1945	1.5	1.8	2.2	3.4	3.3	3.9	16.1
1946	1.2	1.2	1.5	2.0	2.2	2.8	10.9

During the second half of December milk supplies delivered to Sydney decreased because of unfavourable seasonal conditions, but cream supplies were maintained. During January supplies continued to decline and the Milk Board decided to ration sales of milk and cream to consumers.

SYDNEY MILK SUPPLY

(Deliveries to Milk Board) - million gallons

Four weekly periods	1945		1946		1947	
	November	December	January	November	December	January
Whole Milk	3.42	3.46	3.40	3.56	3.64	3.40
Sweet Cream Milk	0.12	0.12	0.12	0.16	0.53	0.55